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Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group for the period from 1 July 1997 to 30 June 1998 (A/53/742), and the final disposition of the assets of these operations (A/53/838). During its considerations of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

2. In its resolution 1037 (1996) of 15 January 1996, the Security Council established UNTAES, and in its resolution 1120 (1997) of 14 July 1997, the Security Council terminated the mandate of the Mission, effective 15 January 1998. Subsequently, in its resolution 1145 (1997) of 19 December 1997, the Security Council established the Civilian Police Support Group for a single nine-month period with effect from 16 January 1998, and decided that the Support Group would assume responsibility for those UNTAES personnel and United Nations-owned assets needed for its use in the fulfilment of its mandate.

Financial performance report for the period from 1 July 1997 to 30 June 1998

3. In its resolution 52/244 of 26 June 1998, the General Assembly approved the revised appropriation for the operations of UNTAES in the amount of $134,824,800 gross ($129,235,900 net), inclusive of $10,276,000 for the support account for peacekeeping operations for the period from 1 July 1997 to 30 June 1998. Expenditures amounted to $119,577,500 gross ($114,787,700 net), inclusive of $27,681,900 in unliquidated obligations, resulting in an unencumbered balance of $15,247,300 gross ($14,448,200 net),

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or 11 per cent of the amount appropriated (A/53/742, para. 15 and annex I). In addition, the Committee notes (see A/53/742, table 1) that there was an expenditure of $489,600 from voluntary contributions in kind (non-budgeted). The Committee was informed that this was for personnel assigned to the Transitional Administration. The Committee welcomes the inclusion in document A/53/742, table 1, of both budgeted and non-budgeted voluntary contributions; these should in future also be reflected in annex I.

4. As indicated in paragraphs 6 and 7 of the report (A/53/742), in a letter from its Chairman dated 31 July 1998, the Committee concurred with the request to meet the estimated additional requirements of $553,400 gross ($493,700 net) from the resources provided for the period 1 July 1997 to 30 June 1998, for 42 person-months (24 international and 18 local) in the mission area from 1 July to 30 November 1998, as well as 12 international person-months at Headquarters from 1 December 1998 to 28 February 1999 to complete needed tasks in connection with the liquidation of the Mission.

5. The Committee further notes from paragraph 8 of the report that there is a need to accommodate within the resources provided for the period from 1 July 1997 to 30 June 1998 the unbudgeted amount of $47,800 for the final audit of UNTAES by the Board of Auditors.

6. The Committee recalls that in paragraph 19 of its report (A/52/859), it had pointed out that "considering such a significant reduction in military personnel, the civilian structure of the mission of the average of 234 staff for the five and one half month period beginning 16 January 1998 appears to be too heavy."Furthermore, the Committee recalls that during its examination of the revised cost estimates for the period from 1 July 1997 to 30 June 1998, no accurate information concerning up-to-date expenditure was available, and that expenditure available to 31 December 1997 amounted to only $85.1 million. The Committee had also pointed out in the same report (A/52/859) that UNTAES had a history of over-budgeting. As indicated in paragraph 11 of the current report (A/53/742), the successful execution of the political mandates and the stable and safe environment created by the Transitional Administration facilitated the management and use of the Mission's resources. The Committee commends the Mission for management actions taken to effect savings. The Committee points out that this represents a considerable improvement.

7. Savings under military personnel costs, amounting to $1,933,700 or 4.6 per cent of the apportionment, resulted mainly from the accelerated repatriation of military personnel in January and February 1998, lower travel costs from the extensive use of the Mission's own resources to transport contingents to their home countries or port of departure, and lower prices of rations (A/53/742, para. 11, and annex II, para. 1).

8. Under civilian personnel costs, the unutilized balance of $5,486,200 or 10.3 per cent resulted from reduced requirements under civilian police, international and local staff, and United Nations Volunteers. Lower requirements in civilian police resulted in savings of $729,500 due to the accelerated repatriation of civilian police and lower travel costs. Expenditure for international staff salaries were lower than estimated as a result of some posts being filled by staff at lower grade levels than budgeted, high international staff vacancy rates (6 per cent for UNTAES and 10 per cent for the Support Group), lower common staff costs, and savings in mission subsistence as a result of lower deployment of international staff (A/53/742, annex II, paras. 2–6).

9. Under operational costs, the unutilized balance of $8,824,600, or 37.2 per cent of the apportionment, resulted from reduced requirements under premises/accommodations ($1,886,700), transport operations ($2,816,700), air operations ($702,000), communications ($783,900), other equipment ($283,800), supplies and services ($234,100), transport of

contingent-owned equipment ($1,610,100) and commercial freight ($507,300) (A/53/742, annex I and annex II, para. 7).

10. The Committee welcomes the steps taken to realize economies in air and surface freight mentioned in paragraph 16 of annex II to the report. Upon inquiry, the Committee notes with satisfaction that the written-off equipment carried from the United Nations Logistics Base at Brindisi to the mission area had originally come from the United Nations Operation at Somalia, and was sold at the international auction of UNTAES assets. The Committee notes, in paragraph 14 of the report, that at the international auction of UNTAES assets conducted by the Mission a net income in the amount of $1.6 million was realized, as compared with a residual value estimated at $7.2 million.

11. With respect to the status of reimbursement to Member States providing troops to UNTAES, the Committee was informed that up to 31 May 1998, the amount reimbursed was $101,148,977 and the amount owed $20,352.

12. As regards reimbursement for contingent-owned equipment, the Committee was informed that as at 31 December 1998, the amount reimbursed was $32,068,595, the estimated amount owed totalled $45,673,402 and unliquidated obligations for contingent-owned equipment amounted to $45,961,722. For death and disability compensation, 13 claims paid amounted to $182,150 and unliquidated obligations for 18 pending claims amounted to $3,176,943.

13. As at 31 December 1998, the cash position of UNTAES amounted to $83.2 million. Assessments amounted to $503.5 million, payments received totalled $463.5 million and amounts outstanding were $40 million. Total unliquidated obligations for the period from 1 July 1997 to 30 June 1998 were $22.5 million as at 31 December 1998.

14. The Committee recommends that the General Assembly approve the actions proposed by the Secretary-General in paragraph 17 of his report (A/53/742).

Final disposition of assets of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group

15. As indicated in paragraph 3 of the report (A/53/838), the process of liquidating UNTAES/Support Group assets was guided by the principles and policies approved by the General Assembly in section VII of its resolution 49/233 A of 23 December 1994.

16. Paragraphs 5 and 6 and annex I to the report summarize the final disposition of assets. As at 30 November 1998, the inventory value of some 17,454 items of the Missions amounted to $76,577,300 million, clustered into 11 categories of equipment, as presented in the standard peacekeeping operation budgets. Some 11,025 items with an inventory value of $51,479,300 (67 per cent of the total value), shown as group I, were transferred to other United Nations missions and the United Nations Logistics Base at Brindisi. Some 4,728 items with an inventory value of $21,244,200 (28 per cent of the total asset value), shown as group II, were sold in the mission area, with a sale value of $3,142,200 (see A/53/838, table); no assets installed in the mission area were donated to the host Government. Some 1,701 items with an inventory value of $3,853,800 (5 per cent of the total assets value), shown as group III, included assets written off amounting to $3,104,900 (4 per cent of the total asset value) and assets lost during the course of the mission with an inventory value of $748,900 (1 per cent of the total asset value).

17. The Committee commends the Secretariat for the quality of the report and the progress made in the management of disposal of assets. The efficiency of the operation is reflected

in the number of items transferred to other missions and the United Nations Logistics Base at Brindisi mentioned in paragraph 16 above. The Committee trusts that lessons learned in this exercise will be used in other missions. The Committee also notes the benefit, as indicated in paragraph 19 of its report (A/52/859), of leaving a sufficient number of qualified staff in the mission area to perform liquidation tasks.